

1 response Chairman Clayton immediately stated that
2 the meeting was not the proper forum for a
3 discussion about that topic." Do you see that
4 sentence?

5 A. Yes.

6 Q. So there's no note in here that Chairman
7 Clayton responded that there is clarity around
8 whether XRP is a security, right?

9 MR. TENREIRO: Objection to form.

10 MR. SOLOMON: That's not in the memo.

11 A. I don't see that in the memo. Do you? I
12 don't see it.

13 Q. Doesn't matter what I see. Do you see it?

14 A. I don't see it.

15 Q. I don't either. Okay.

16 Then it says "He then asked Garlinghouse
17 to back up from that issue and steered the meeting
18 to a discussion about Ripple's business in
19 technology." Do you see that sentence?

20 A. I do.

21 Q. And then the last sentence of the memo,
22 "Following further discussion of these issues, the

1 memo concluded and Chairman Clayton encouraged the
2 Ripple executives to continue ongoing discussions
3 with the staff, the division of corporation
4 finance." Do you see that as well?

5 A. I do.

6 Q. Is there anything in this memo that
7 indicates that Chairman Clayton was of the view
8 that sales of XRP in August of 2018 were security
9 sales?

10 MR. TENREIRO: Objection to form. You
11 mean other than when he tells him not to talk about
12 that with him?

13 MR. SOLOMON: That wasn't my question.

14 Is there anything in the memo that
15 indicates that Chairman Clayton stated the view
16 that XRP sales were sales of securities? Do you
17 see that here?

18 MR. TENREIRO: Objection to form.

19 A. I don't see him saying one way or another
20 anything about the characterization of Ripple --
21 XRP.

22 Q. And that would have been a significant

1 piece of information had he said that, correct?

2 A. I think the chairman was steering the
3 conversation away from that topic because I think
4 he was aware that people were gathering more
5 information about XRP at that point.

6 Q. Okay. And is there anything in here,
7 Mr. Hinman, that indicates that you expressed a
8 view at this meeting that you believed sales of XRP
9 were security sales at this point in time?

10 A. No.

11 MR. SOLOMON: That's all I have.

12 MR. TENREIRO: Great. We're done. You
13 guys have spent more time than we did on the
14 questions. If you want to move to bring him back,
15 we'll see your motion.

16 MR. FIGEL: Jorge --

17 MR. TENREIRO: He's been here for 11
18 hours. He has been here for 11 hours. You showed
19 him about 20 documents that he was not even copied
20 on with Rob Cohen on them and with other people on
21 them. You've had him for 11 hours and you could
22 have asked him all of these questions. You had

1 these documents.

2 MR. SOLOMON: Your objections took 40
3 minutes.

4 MR. TENREIRO: No.

5 MR. SOLOMON: Why don't you give us five
6 minutes and we'll finish up. Let Ripple ask its
7 questions, Jorge, just so we can all ask our
8 questions. You chose to ask questions of Director
9 Hinman, I stayed exactly on point. I think
10 Mr. Figel is going to do exactly the same thing.

11 MR. TENREIRO: You just asked him to read
12 the memo to you, Matt.

13 MR. SOLOMON: You introduced the memo.

14 MR. TENREIRO: The memo speaks for itself.
15 I'm going to give you five minutes and we're done.
16 We've been here for 11 hours.

17 MR. SOLOMON: Thank you, Jorge, appreciate
18 that.

19 FURTHER EXAMINATION

20 BY MR. FIGEL:

21 Q. I just have a couple questions,
22 Mr. Hinman.

1 As I understand your testimony both in
2 response to Mr. Tenreiro's questions and
3 Mr. Flumenbaum's questions about the meetings with
4 Ripple or representatives of Ripple, there was a
5 meeting that you attended in December, sometime
6 after December 11th when you apparently resigned
7 but before you were off the payroll, correct?

8 A. Yeah. I wasn't officially resigned until
9 December 20th I believe or 18th, something like
10 that. Because of the amount of unpaid leave I had
11 accumulated I was in effect taking vacation, but I
12 had additional people calling me with questions
13 during that period even though --

14 Q. So you attended a meeting by Zoom with
15 Ripple representatives?

16 A. I believe so.

17 THE REPORTER: Guys.

18 Q. And there was also a meeting I believe in
19 September that Ms. Cross, Mr. Ceresney, and various
20 people attended, correct?

21 A. You would know the date better than I, but
22 yes.

1 Q. And then there was a meeting with the
2 chairman in August; is that correct?

3 A. August of 2018, yes.

4 Q. All right.

5 Now, directing your attention to the
6 meeting in September where you answered questions
7 in response to Mr. Tenreiro about what you said to
8 Ripple.

9 A. Right.

10 Q. Did you prepare talking points prior to
11 that meeting?

12 A. No.

13 Q. Was there a memorandum or a transcript
14 made of what was discussed at that meeting?

15 A. Not that I'm aware of.

16 Q. Now, you testified that you didn't have a
17 specific recollection about what was discussed in
18 December, the December 2020 meeting, correct?

19 A. Yes. Yes.

20 Q. All right. And the September meeting
21 obviously was a few months before that?

22 A. Yes.

1 Q. Mr. Tenreiro asked you a series of leading
2 questions in which you described what you said.
3 I'd like to have you focus on what your
4 recollection is of specifically what you said.

5 MR. TENREIRO: Object to form.

6 MR. FIGEL: Do you have a specific
7 recollection of the words you spoke on the issue of
8 bringing the company into compliance?

9 A. Yes.

10 Q. What specifically did you say?

11 A. This is probably not verbatim, but I think
12 the beginning of the conversation was we understand
13 you want to come into compliance. If you want to
14 come into compliance you need to register these
15 sales or stop these sales that you're doing
16 periodically on -- I remember expressing some
17 surprise that that had been ongoing.

18 Q. And you remember speaking those words?
19 You're not describing what you said. Those are the
20 words you remember saying; is that correct?

21 A. Again, it's probably not verbatim, but
22 that was the message I was providing.

1 Q. I'm not asking about the message. I'm
2 asking about the words.

3 A. Okay. The words were I think I started
4 with I'm very surprised to see that you are still
5 offering XRP on an unregistered basis. You're here
6 to talk about how to come into compliance, you
7 should stop doing that before we even think about
8 anything else that we could do here.

9 Q. What did Ms. Cross say in response to
10 that?

11 A. I think she said she understood.
12 Basically her response was one of I get it.

13 Q. Do you remember the specific words she
14 said in response?

15 A. I don't.

16 Q. How about Mr. Ceresney?

17 A. I don't think he had much to say about
18 it.

19 Q. Did you refresh -- prior to your testimony
20 in connection with the preparation for your
21 deposition did you review any documents that
22 refreshed your recollection about what specifically

1 you said at the September meeting?

2 A. No. No.

3 Q. I misspoke on the date. The meeting was
4 September 2019.

5 A. Okay.

6 Q. So you just have a specific recollection
7 of the words you spoke at the September 2019
8 meeting; is that correct?

9 A. I do.

10 MR. FIGEL: I have nothing further.

11 MR. TENREIRO: Thank you.

12 THE VIDEOGRAPHER: If that is everything,
13 where going off the record on July 27, 2021 at
14 7:55.

15 (Whereupon, at 7:55 p.m. the
16 taking of the instant
17 deposition ceased.)

18

19

20

21

22

1 CERTIFICATE OF SHORTHAND REPORTER-NOTARY PUBLIC

2 I, TINA M. ALFARO, Registered Professional
3 Reporter, Certified Realtime Reporter, and Notary
4 Public, the officer before whom the foregoing
5 deposition was taken, do hereby certify that the
6 foregoing transcript is a true and correct record
7 of the testimony given; that said testimony was
8 taken by me stenographically and thereafter reduced
9 to typewriting under my direction; that reading and
10 signing was requested; and that I am neither
11 counsel for, related to, nor employed by any of the
12 parties to this case and have no interest,
13 financial or otherwise, in its outcome.

14 IN WITNESS WHEREOF, I have hereunto set my
15 hand and affixed my notarial seal this 27th day of
16 July, 2021.

17 My Commission expires October 31, 2025.

18
19
20 _____
21 NOTARY PUBLIC IN AND FOR THE

22 DISTRICT OF COLUMBIA

1 William Harold Hinman, Jr., c/o
2 SIMPSON THACHER
3 900 G Street, NW
4 Washington, D.C. 20001

5 Case: Securites and Exchange Commission v. Ripple Labs, Inc., et
6 al.

7 Date of deposition: July 27, 2021
8 Deponent: William Harold Hinman, Jr.

9 Please be advised that the transcript in the above
10 referenced matter is now complete and ready for signature.
11 The deponent may come to this office to sign the transcript,
12 a copy may be purchased for the witness to review and sign,
13 or the deponent and/or counsel may waive the option of
14 signing. Please advise us of the option selected.

15 Please forward the errata sheet and the original signed
16 signature page to counsel noticing the deposition, noting the
17 applicable time period allowed for such by the governing
18 Rules of Procedure. If you have any questions, please do
19 not hesitate to call our office at (202)-232-0646.

20 Sincerely,

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I do hereby acknowledge that I have read
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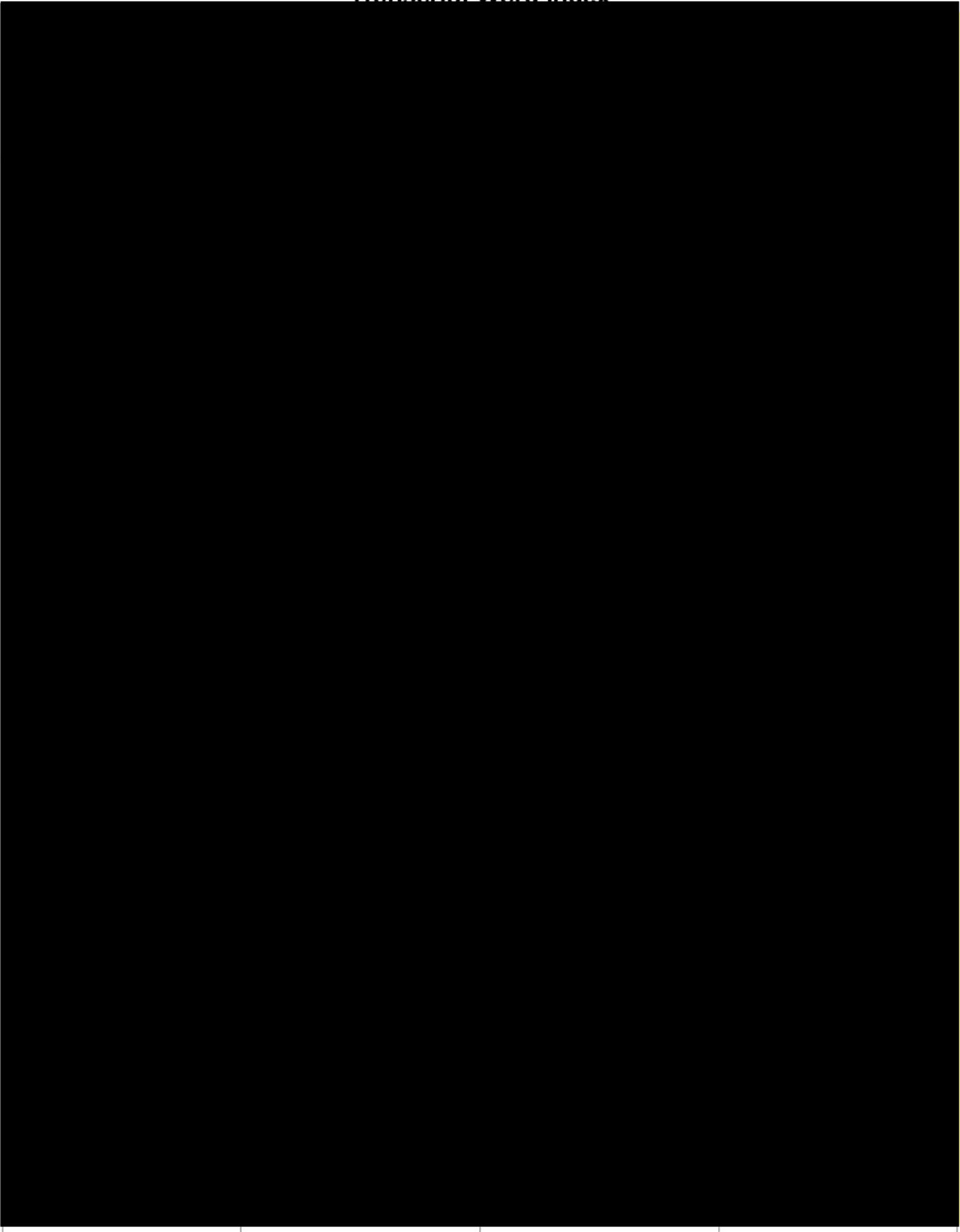
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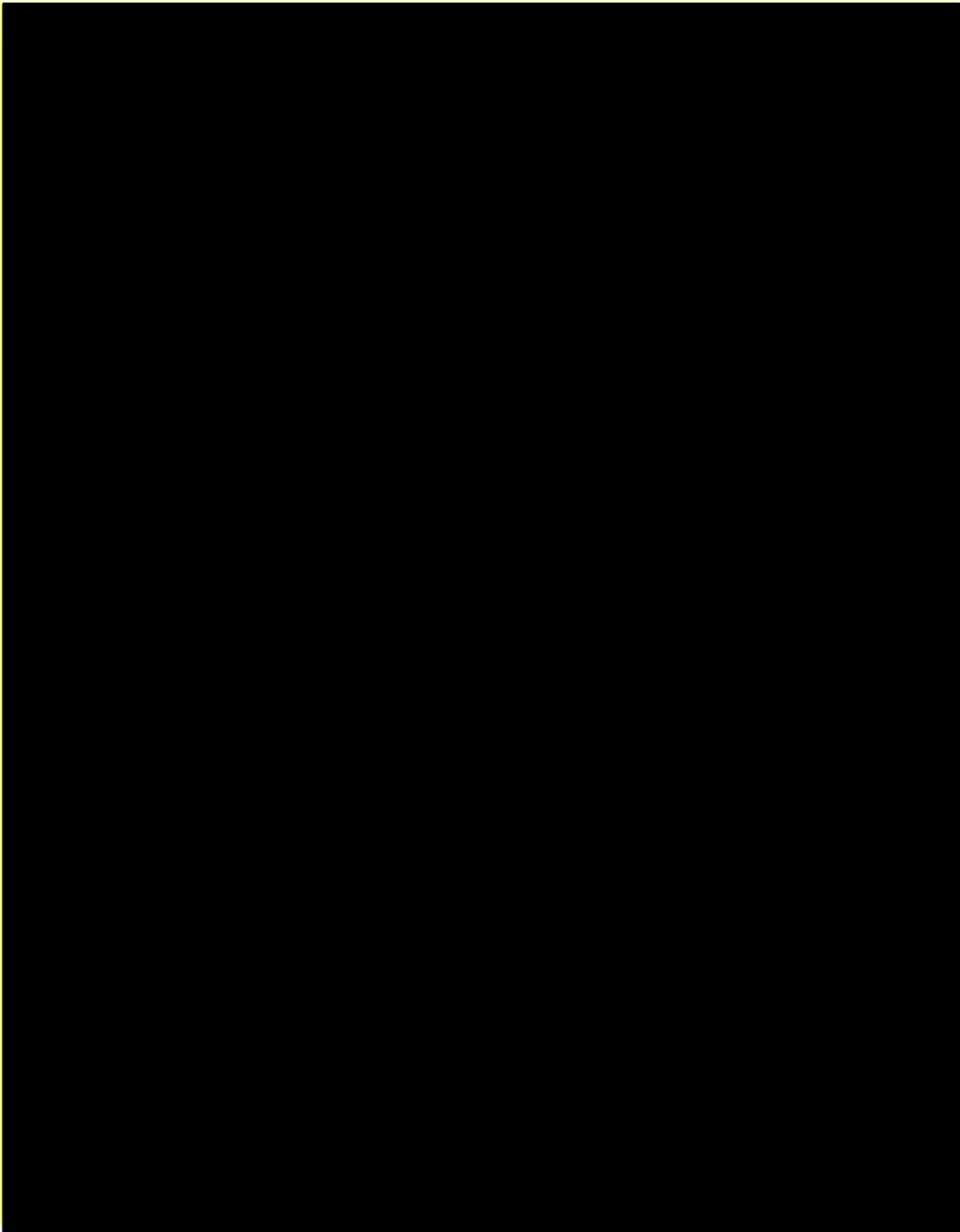
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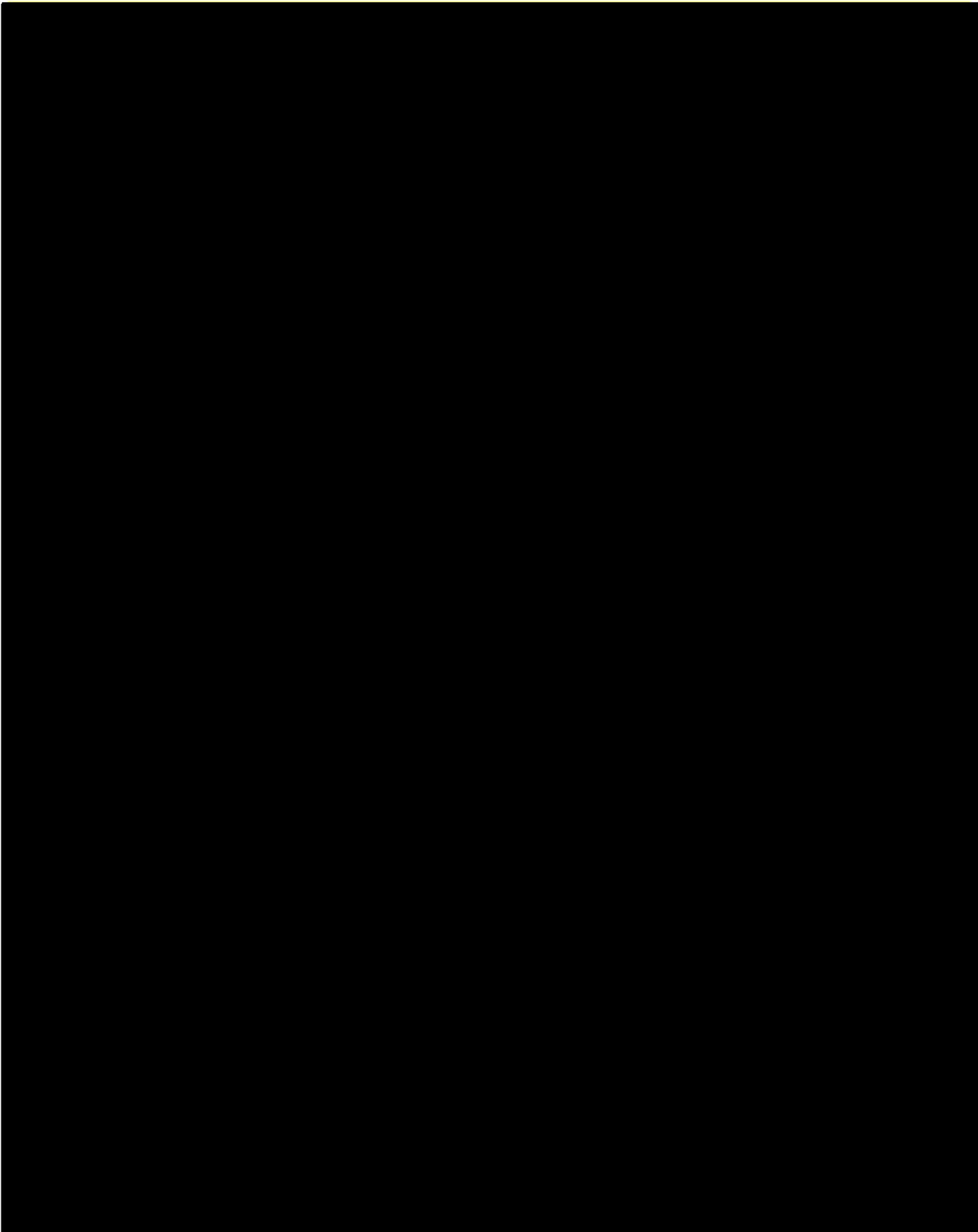
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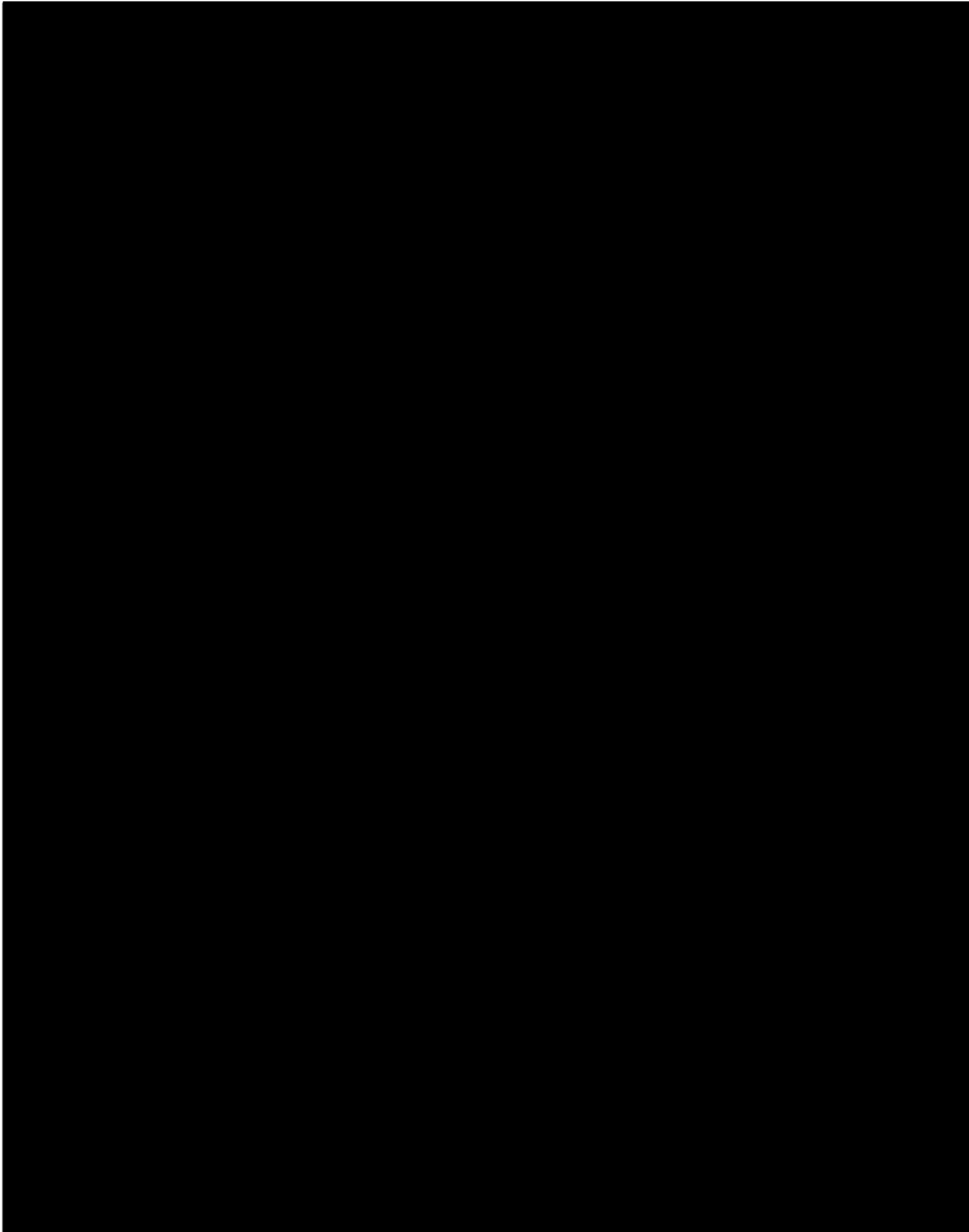
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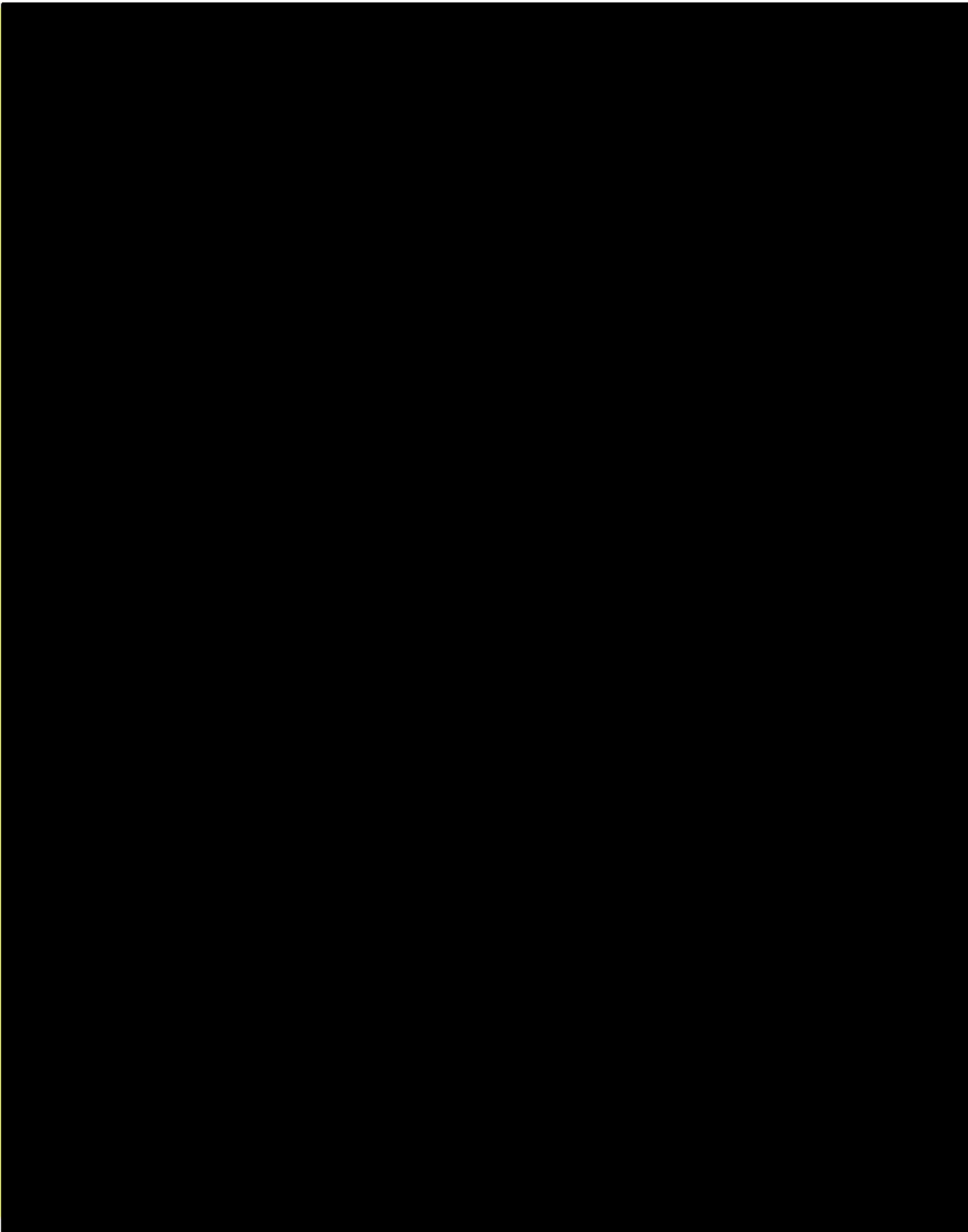
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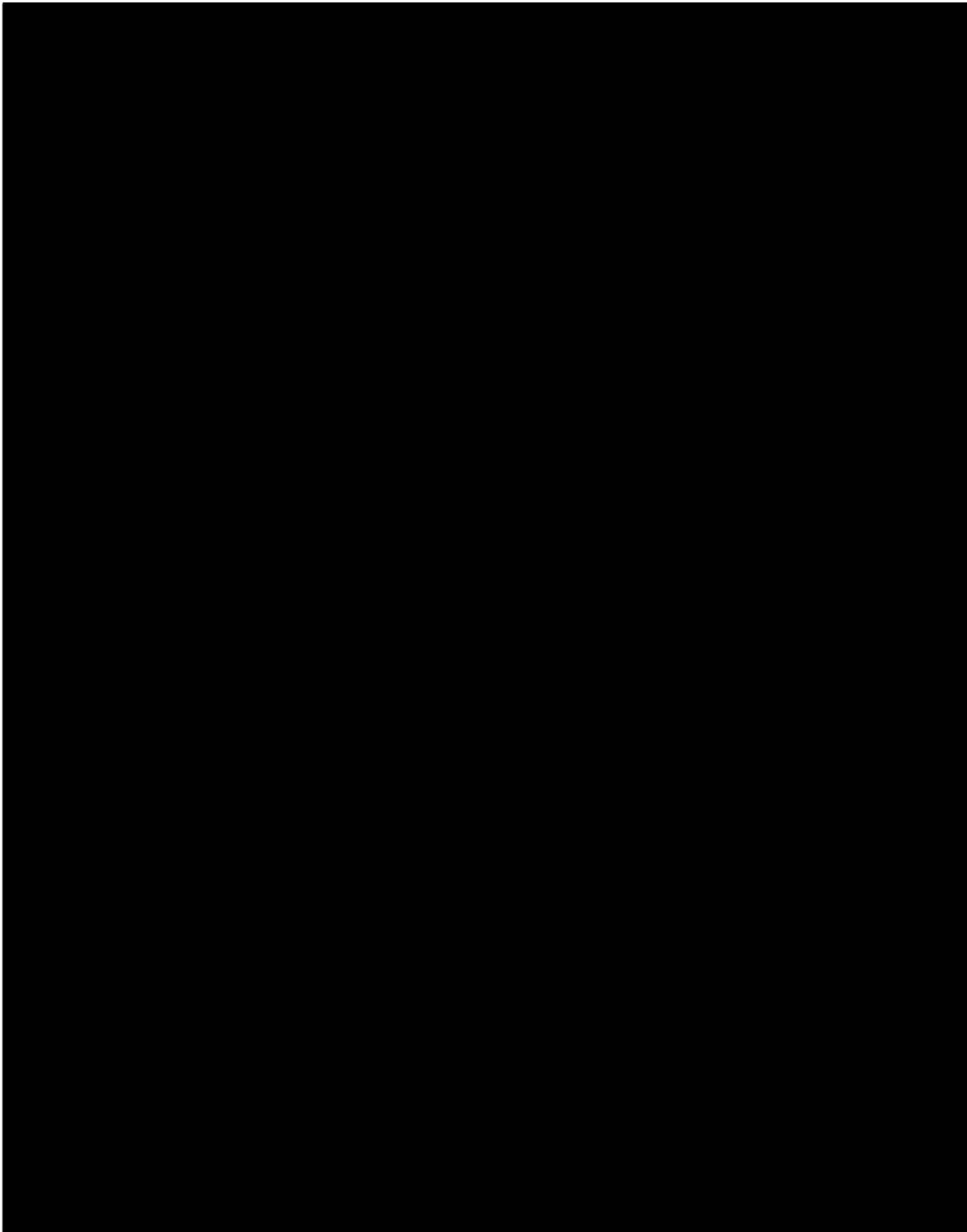


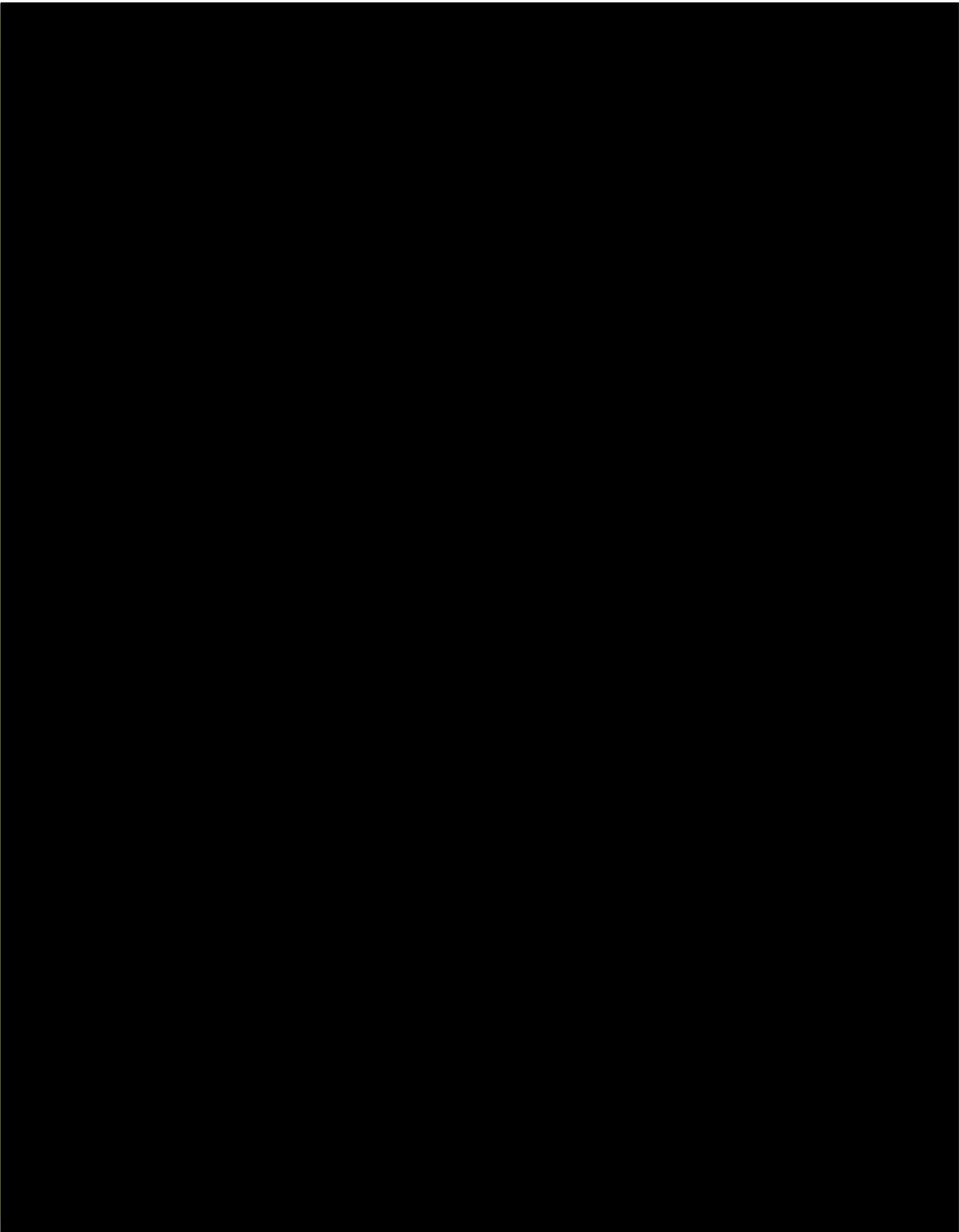


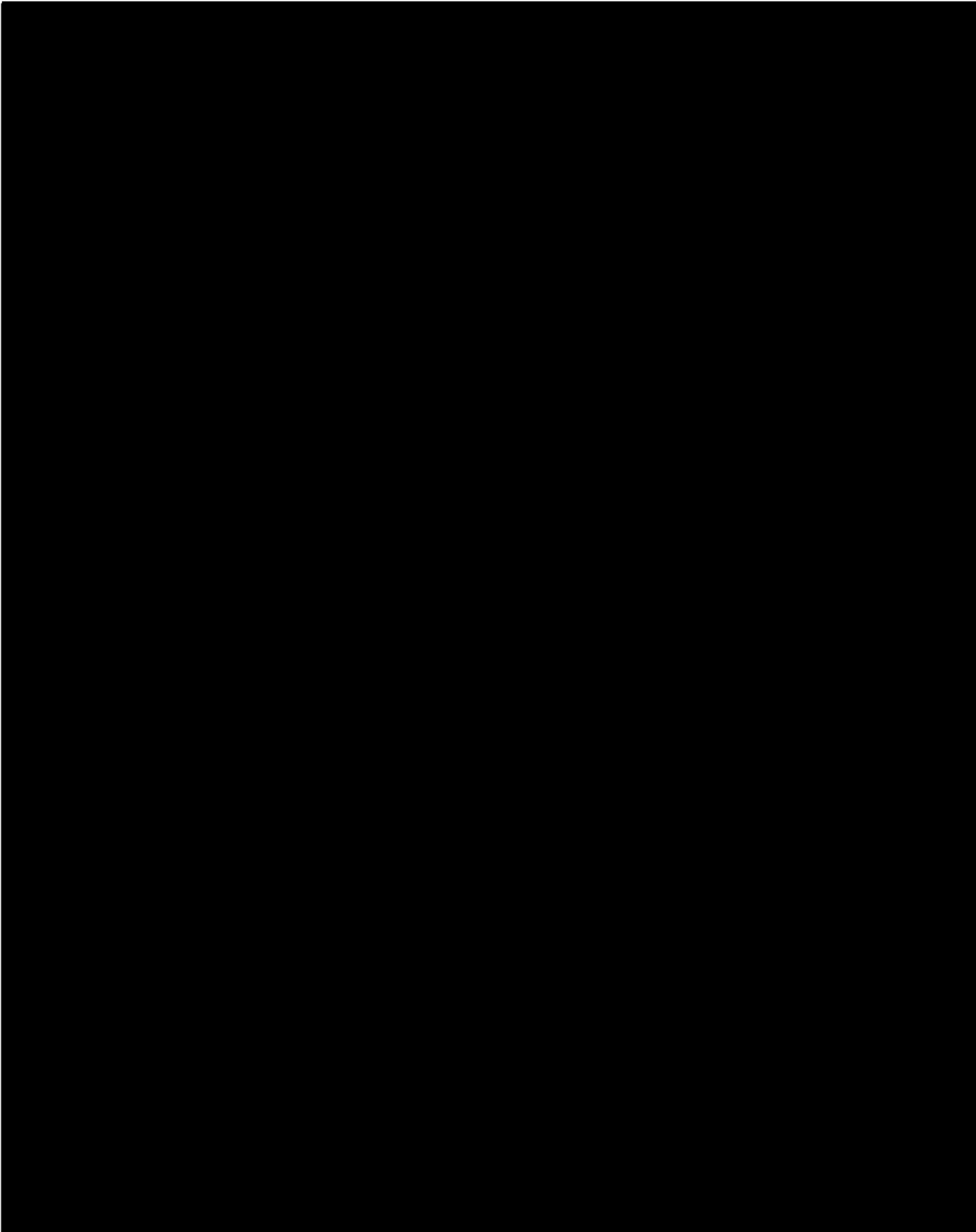


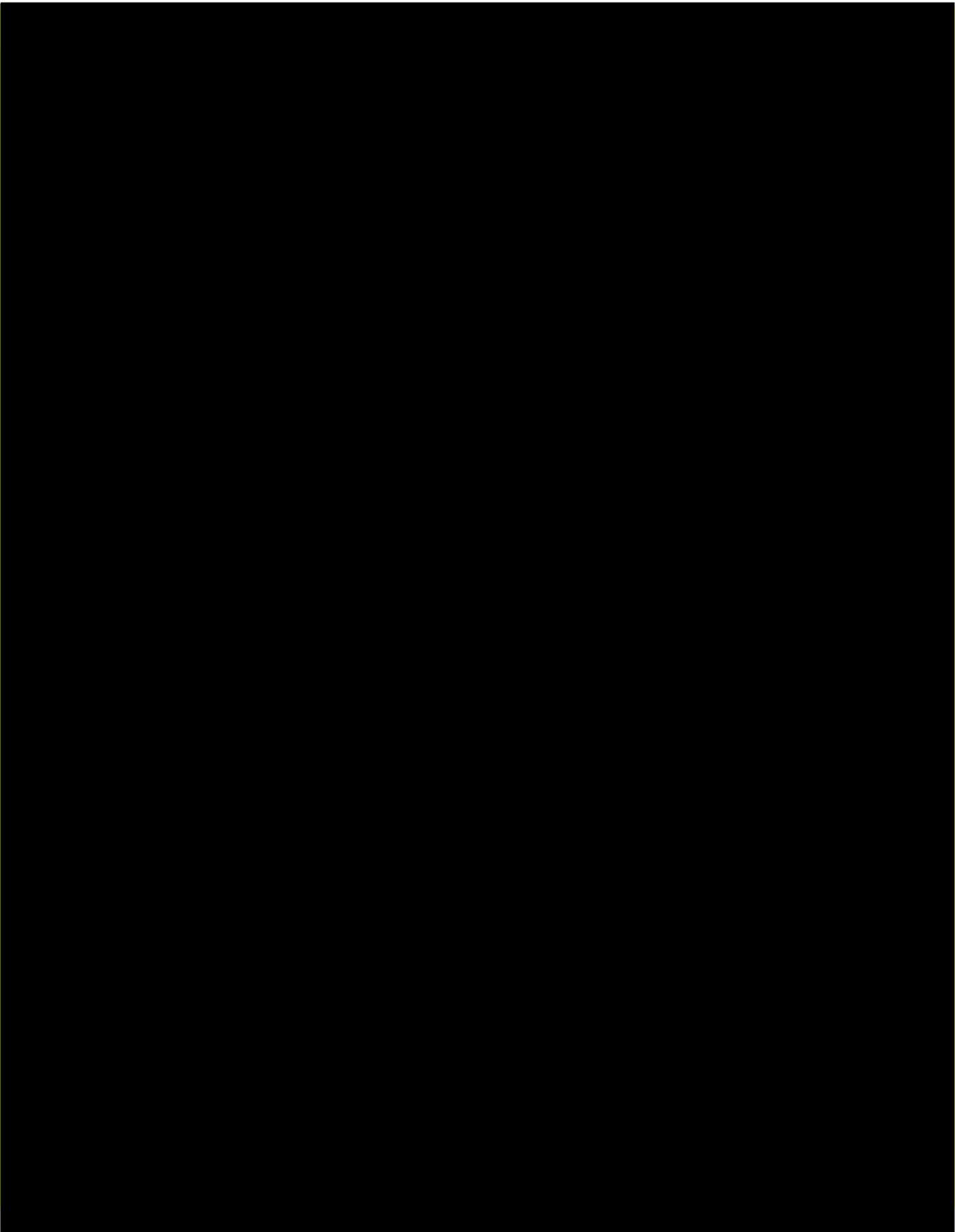


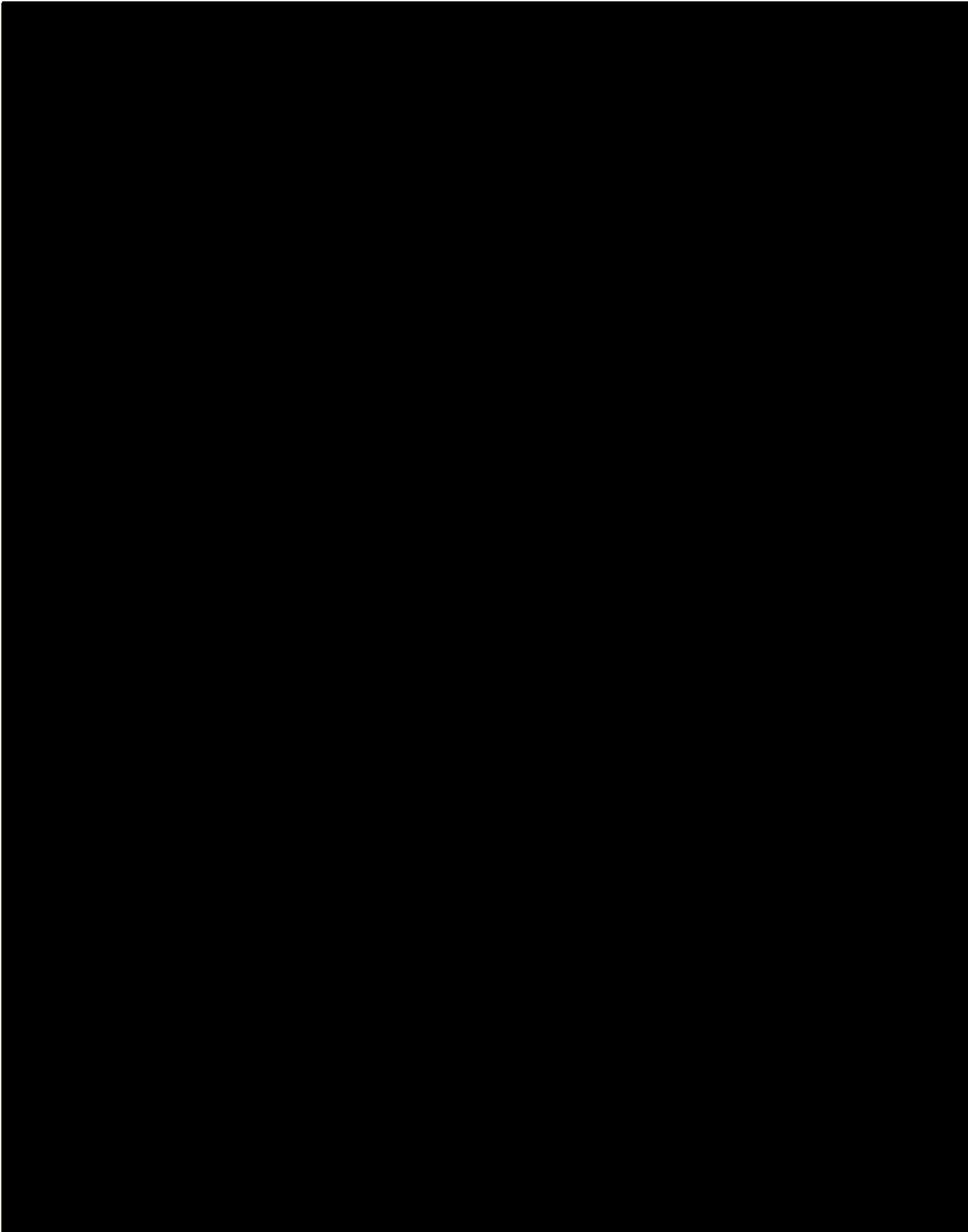


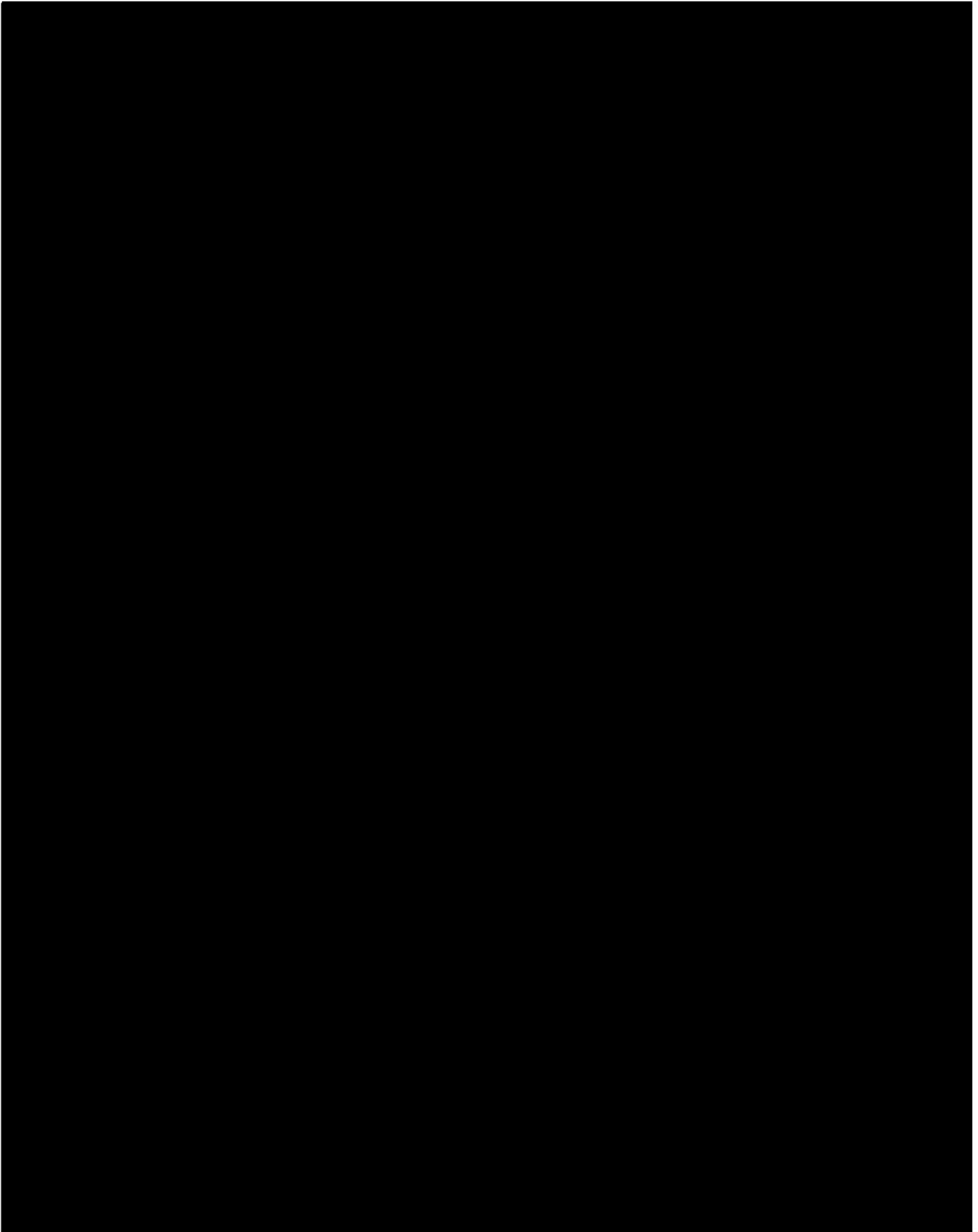


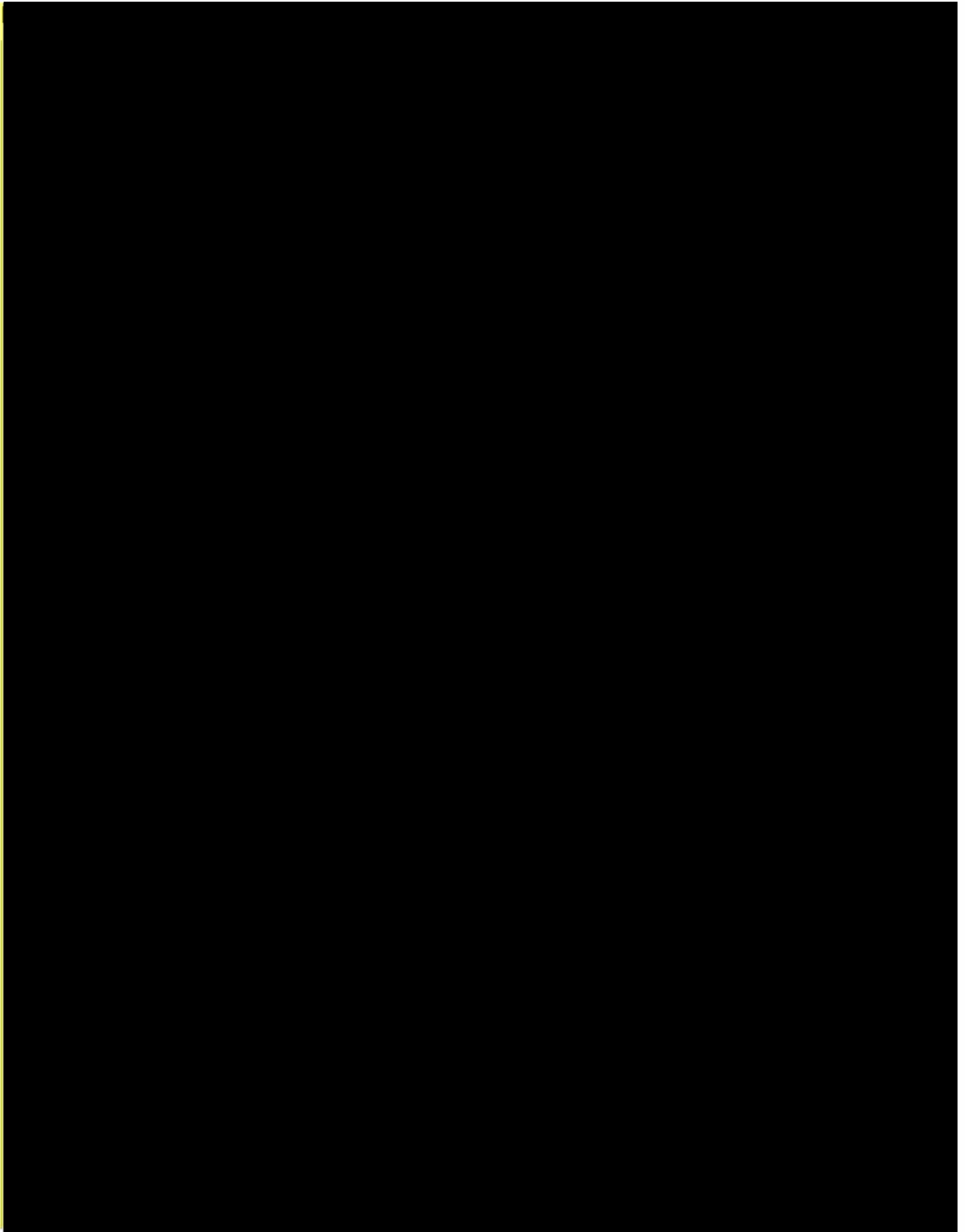


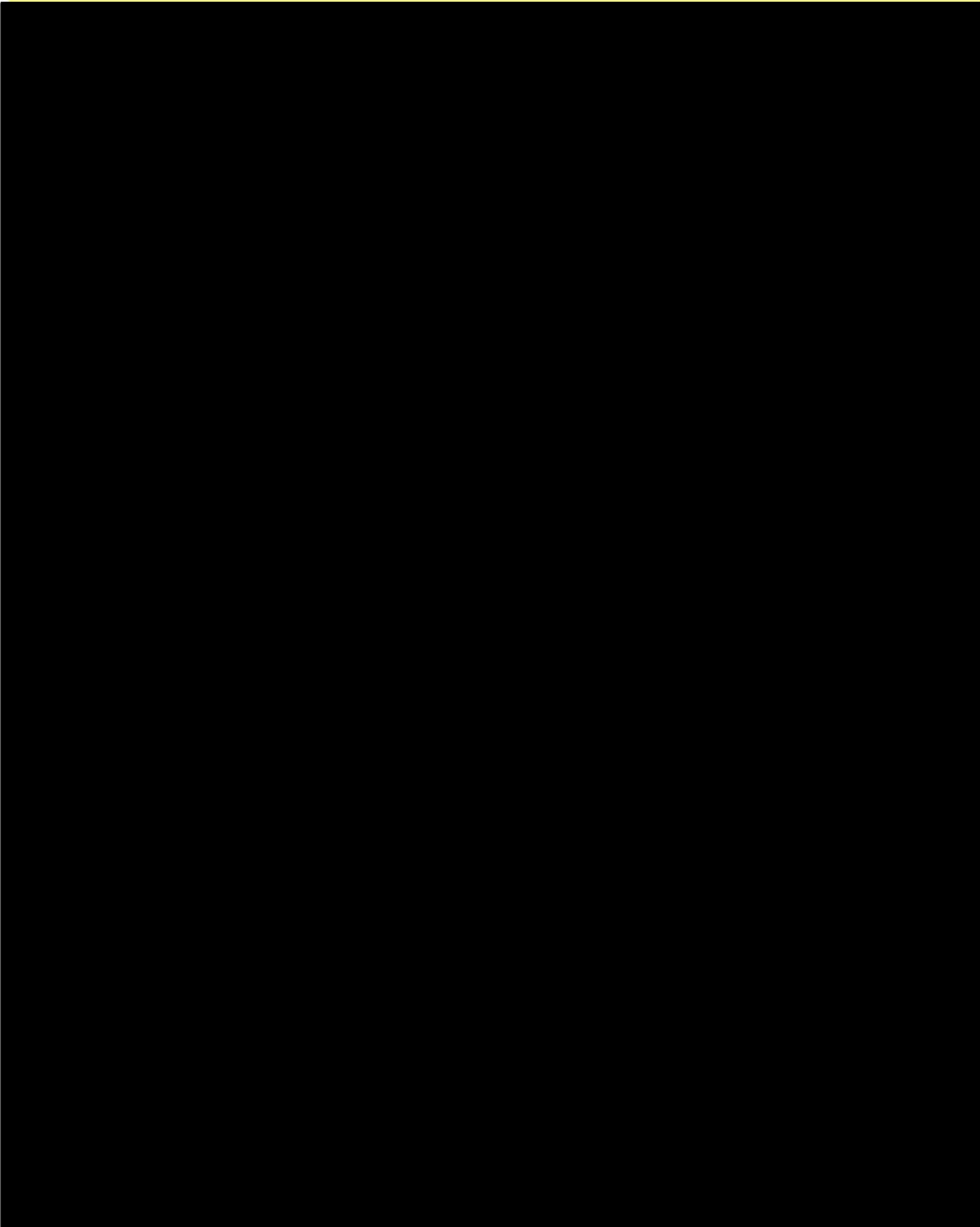


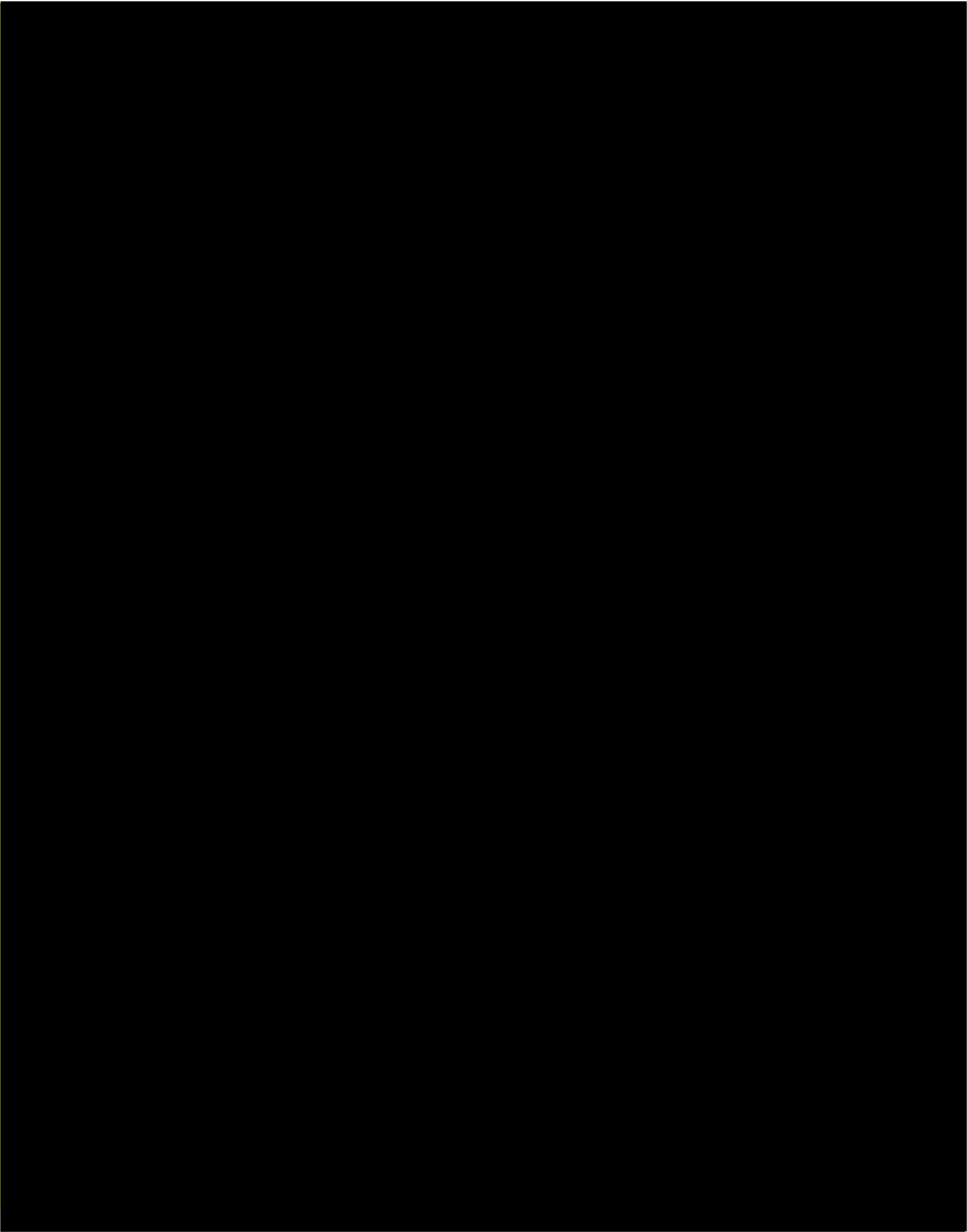


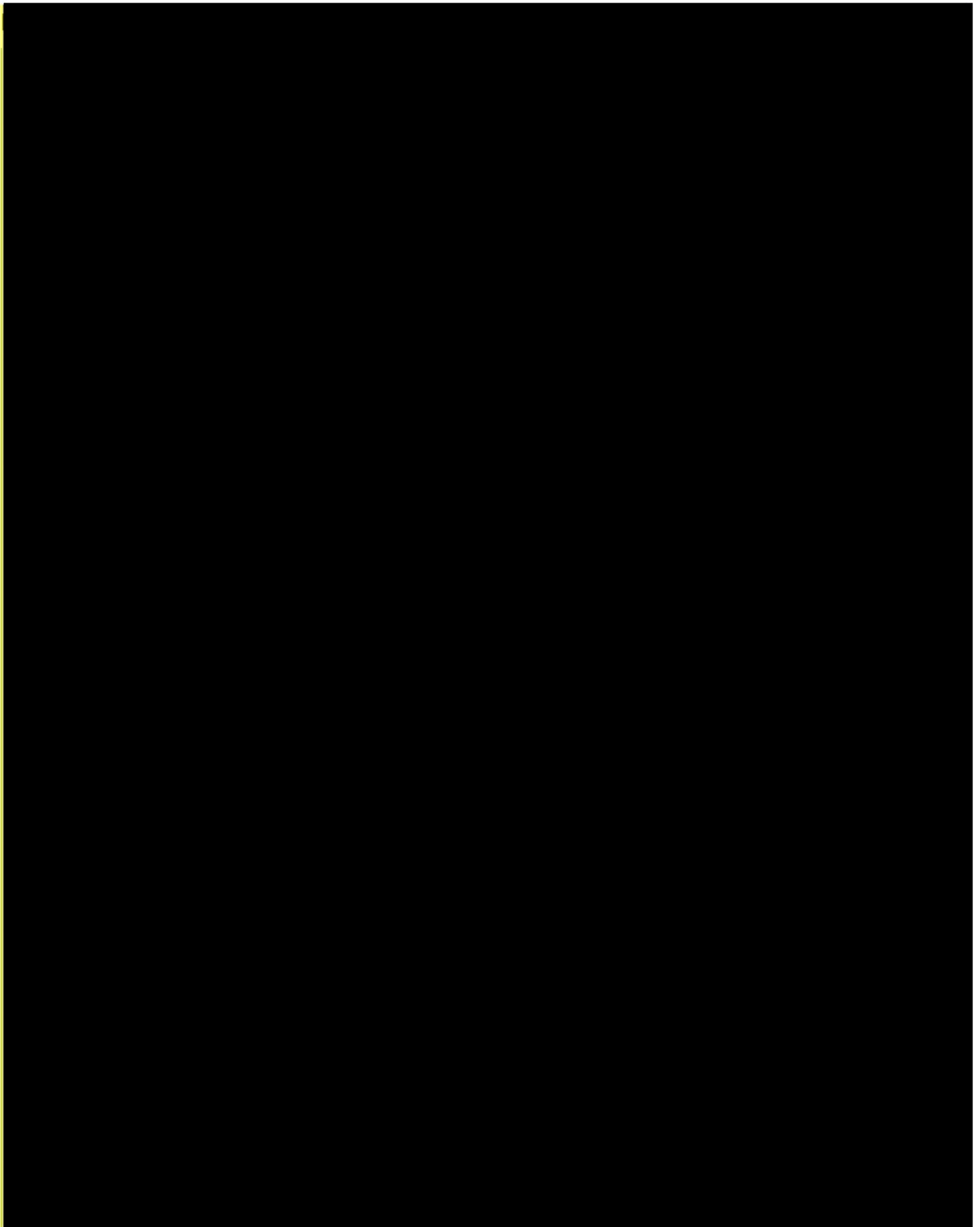












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